



Defense Acquisition University



Smart Shutdown

**Considerations for a Successful
Shutdown**



Why Smart Shutdown?

The Need

Retain and reutilize valuable DoD resources & reduce potential waste

A validated user need may still exist - and need addressing by DoD

The Mission

Identify actionable critical activities to be accomplished in order to document program resources for aid in any future reuse and affect an efficient and effective program closeout

The Outcome

An orderly, disciplined, and efficient realignment of program resources that protects personnel and the



Program Cancellation Concerns

- **Complex teaming arrangements/joint ventures**
- **Major subcontracts and multi-tier subcontractor hierarchies**
- **Significant Government-furnished and/or contractor acquired/produced property**
- **Issues of data rights/intellectual property**



Program Office Major Considerations

- **Personnel Realignment:**

Personnel are your most important resource and the most enduring resource of your

program and future programs - plan for their future. This is job No. 1



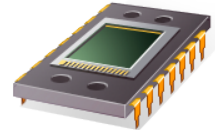
- **Capabilities/ Requirements Realignment:**

Planning, communicating and executing all aspects of your program's performance capabilities and user requirements associated with a cancelled program



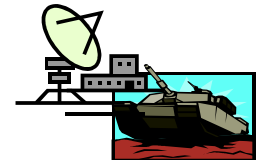
- **Technologies Realignment:**

The practical re-application of knowledge especially in a particular area; a manner of accomplishing a task especially using technical processes, methods, or knowledge



- **Property Realignment:**

Inventorying and redistribution/ reutilization of facilities/ hardware/ software/ data associated with a cancelled program



- **Contracts Realignment:**

All aspects of the Contracting activities required during the acquisition program cancellation and contract(s) termination



- **Budget & Financial Management Realignment:**

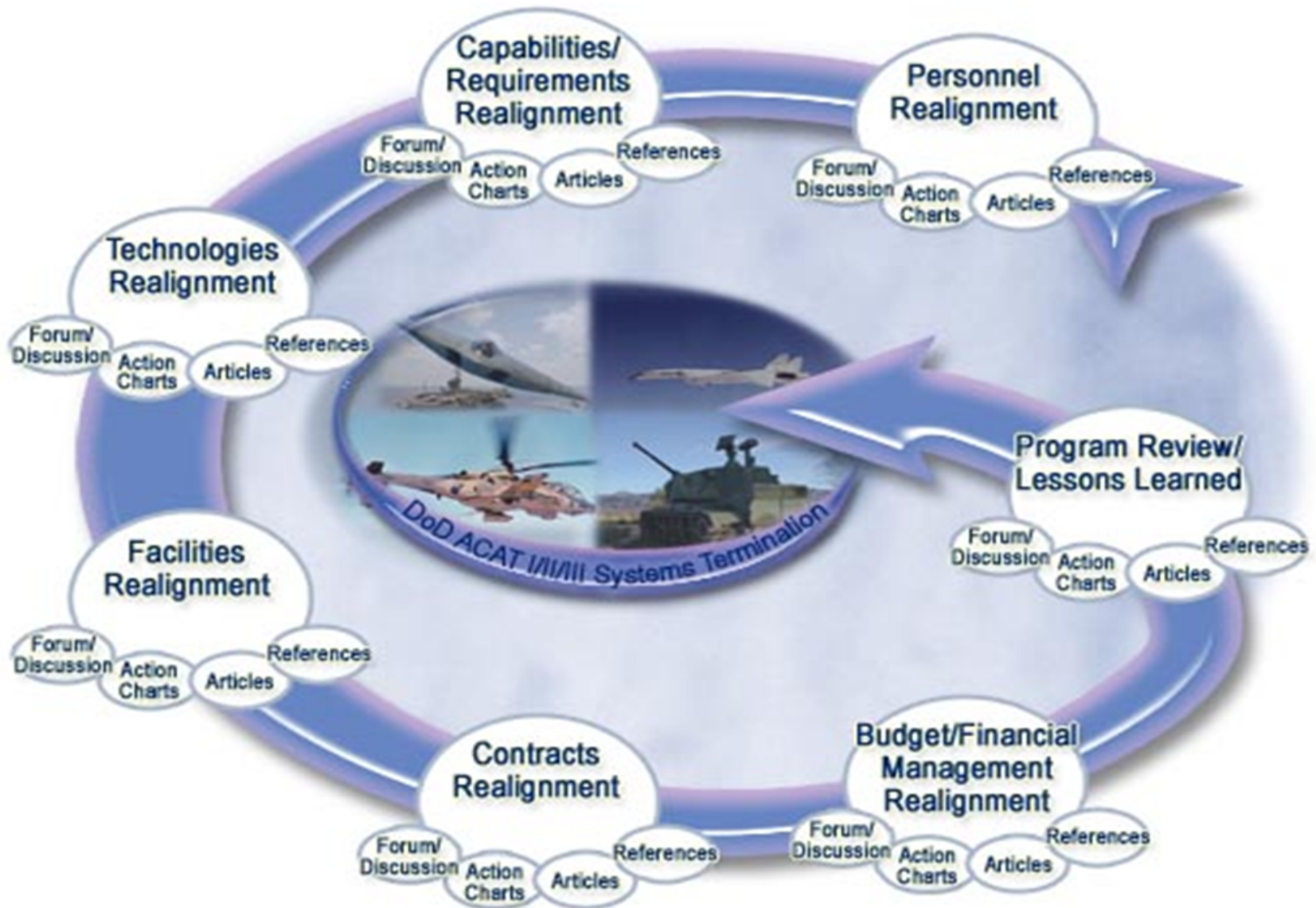
All aspects of budget/financial management activities associated with an acquisition program cancellation



These Provide the Framework for an Orderly and Efficient Shutdown



Smart Shutdown Framework





Smart Shutdown Tool Box



Smart Shutdown in ACC

Collaborative workspace on the DAU website
(Acquisition Community Connection) to facilitate
communication and best practices
Including Smart Cards and Senior Leader Nuggets



Smart Shutdown Spreadsheets (Smart Cards)

Profile cards outlining critical program considerations
organized by major functional area



Smart Shutdown Spreadsheet Generator (Beta)

Integrated database (using meta-tagged program
considerations) for the automatic
generation and tailoring of Program specific shutdown
activities





Senior Leader Interview

Nuggets



- **Personnel Realignment**
- **Capabilities/ Requirements Realignment**
- **Technologies Realignment**
- **Property Realignment**
- **Contracts Realignment**
- **Budget/Financial Management Realignment**



THINK “Transition Philosophy”

- **Transition Team Selection**
 - **Key Personnel (Gov’t/SETA/Prime) and Commitment**
 - **Avoid the “abandon ship” mentality**
 - **Scheduling release dates**
 - **Those who stay are at risk, help them**
 - **Competing interests (job security)**
- **Training/Guidance**
- **Keep emotions in check, it isn’t personal**





– Communications Plan

- Cannot over use town halls/hands
- Scheduled updates
- Rumor control
- Post the plan
- Set the “lights out” date



vs.



– Security and personnel out

– Identify Shutdown SME's (external)



Capabilities/Requirements



- **Consider all Stakeholders**
 - **Especially important for your communications plan**
 - **What are their interests/motivations?**
- **Consider special briefings by PEO/PM**
- **Everyone has a voice in the process**
 - **Industry, other service, inter partners**



Technologies



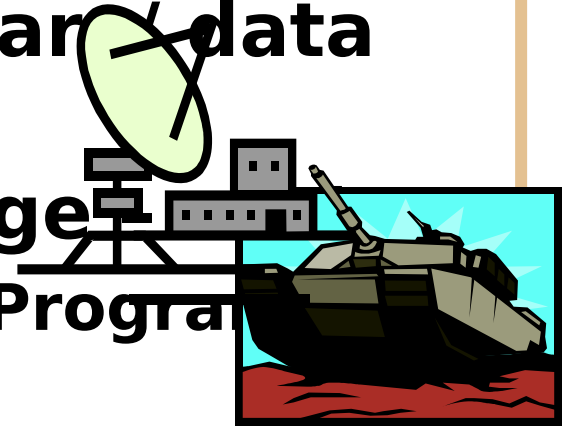
- **Protect the technology; DoD paid for it**
- **Protect information and data**
 - **How do you plan on archiving data (class/unclass)?**
 - **Data libraries**
 - **TDPs - where do you send/store it?**
 - **Background information**
- **Technology Considerations**
 - **Lab(s)**
 - **Other Services**
 - **Put on the shelf (Mothball)**
 - **Other Program Offices/Organizations**



Property



- **Facilities/ hardware/ software/data**
- **Inventories**
- **Leave in place, ship, storage**
 - Possible use on other Gov't Program
- **GFX**
- **Data Rights**
- **Transfer ownership process**
 - Contractors (Prime/Sub)
 - Another PMO/SPO
 - Disposal
- **Disposition of property can often be the “long pole”**



Contracts



- **Have Contractors submit a termination proposal/action plan**
 - Partnering
 - Acceptance
- **Involve DCMA/DCAA/General Council**
- **Consider ending Cost Reimbursable contracts to one that is more controllable**



Contracts (con't)



- **The TCO is a key part of your transition team; ensure they're on it for the duration**
 - Usually brought in from outside the program
 - Consider keeping the PCO assigned
- **May consider contracting for needed expertise for transition**
- **Could revise contract incentives for termination phase**
 - KTR should be motivated

concerns

TCO=Terminating Contracting
Officer

PCO=Procuring Contracting
Officer





Budget & Financial Management



- This will usually be a “give”
 - Additional funding may be needed
 - Reprogramming actions
 - Transition Costs
 - TDPs costs
 - Data harvesting/storage
 - Contract termination costs
- Comptrollers perspective?
 - Announced shutdown dates/timeframe will impact
- Consider the size of your program and it's visibility
 - Who is running ‘top cover’?
- Consider maintaining your Financial





Smart Shutdown Framework

Smart Shutdown in Acquisition Community Connection

<https://acc.dau.mil/CommunityBrowser.aspx?id=308481&lang=en-US>

Smart Shutdown Spreadsheet Generator (Beta)

<https://cftest01.f18hornet.net/ssps/index.cfm>

Integrated database (using meta-tagged program considerations) for the automatic generation and tailoring of Program specific shutdown activities





Final Thoughts

- **Program start ups require significant planning and hard work - program cancellations are no walk in the park either**
 - **Significant planning and preparation required to get it right**
- **DAU can help by partnering with you for strategic benefit**